



**Health Insurance Exchange  
Board of Directors Meeting**  
Legislative Office Building  
300 Capitol Avenue, Room 2C, Hartford, CT  
Thursday, November 17, 2011  
Meeting Minutes

**Members Present:** Lieutenant Governor Nancy Wyman, Chair; Secretary Benjamin Barnes, Office of Policy and Management (OPM); Anne Melissa Dowling for Commissioner Thomas Leonardi, CT Insurance Department (CID); Kim Martone for Commissioner Jewel Mullen, Department of Public Health (DPH); Commissioner Roderick L. Bremby, Department of Social Services (DSS); Jeannette DeJesús (Co-Chair), Office of Health Reform & Innovation; Michael Devine; Mary Fox; Mickey Herbert; Grant Ritter; Robert Scalettar; Robert Tessier; Victoria Veltri, Office of the Healthcare Advocate; Cecilia Woods

**Members Absent:** Commissioner Thomas Leonardi, CID; Commissioner Jewel Mullen, DPH

**Other Participants:** Tia Cintron, OPM; Barbara Parks Wolf, OPM, David Krause, OPM; Amy Tibor, OPM; Karen Nichols, OPM; Karen Buffkin, OPM; Alexis Fedorjaczenco, Office of Health Reform & Innovation, Bobbie Schmidt, Office of Health Reform & Innovation; Bettye Jo Pakulis (Lt. Governor's Office); Theresa Becchi (Lt. Governor's Office); Michele Walker, Mercer; Kevin Lurito, Mercer; Paul Grady, Mercer; Tom Dehner, Health Management Associates (HMA); Juan Montanez, HMA

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**The meeting of the Health Insurance Exchange Board of Directors was called to order at 9:00 a.m.**

**Call to Order and Introductions**

Lieutenant Governor Nancy Wyman opened the meeting, welcoming all in attendance.

Lt. Governor Wyman requested a motion to alter the agenda:

1. To rearrange agenda items;
2. To be able to move into Executive Session to discuss the selection of a CEO recruitment firm.

**Review and Approval of Minutes**

Lt. Governor Wyman requested a motion to review and approve of the draft minutes from the September 15, 2011 Special Board Meeting, the October 11, 2011 Special Board Meeting, and the October 20, 2011 Board Meeting. A motion was made and seconded to approve all sets of minutes. **Motion passed unanimously.**

**Executive Session: Administrative RFP Vendor Selection and the CEO Executive Search Firm Selection.**

Lieutenant Governor Wyman requested a motion to go into Executive Session to discuss the Administrative RFP Vendor Selection and the CEO Executive Search Firm Selection at 9:04 a.m. The motion was made by Dr. Robert Scalettar. Secretary Barnes seconded the motion. **Motion passed unanimously.**

**The Board of Directors came out of Executive Session at 9:24 a.m.**

Lieutenant Governor Wyman requested a motion for Karen Buffkin, on behalf of the Board to enter into contract negotiations with the top ranked executive search firm as rated by the RFP Selection Committee. The motion was made by Bob Tessier and seconded. **Motion passed unanimously.**

Lieutenant Governor Wyman requested a motion to allow the CEO Search Committee the authority to retain the services of an Executive Search firm in order to provide the Board with the most qualified candidates. The motion was made by Dr. Robert Scalettar and seconded. **Motion passed unanimously.**

**Mercer Health and Benefits, LLC Vendor Presentation**

Tia Cintron welcomed the Mercer Team: Michele Walker, Project Manager, Mercer; Kevin Lurito, Principal, Mercer; Paul Grady, Partner, Mercer; Juan Montanez, Principal, HMA; and Tom Dehner, Principal, HMA. Michele Walker, Project Manager, provided an introduction to the Mercer presentation, including an overview of the 11 planning project tasks was provided. ([Mercer Presentation](#)).

The planning project task areas are as follows:

- Task 1            Uninsured and Underinsured
- Task 2            Survey the health insurance carriers
- Task 3            Survey the small employer market (<50 and 50-100 employees)
- Task 4            Review remaining economic and actuarial modeling and analyses
- Task 5            Large Employer market (>100 employees)
- Task 6            Interaction with other coverage initiatives
- Task 7            Review a financial model for the HIE
- Task 8            Technical Requirements and development of specifications for accounting and financial system functions for the HIE
- Task 9            Assessment of the existing Medicaid eligibility system interface issues
- Task 10           Impact of the Medicaid program on the Exchange
- Task 11           Options for a multi-state and federal collaboration Exchange

Kevin Lurito provided a general overview of tasks 1 through 5 with a comprehensive overview of Task 4g (Benefit Mandates).

Michele Walker provided a description of Tasks 6 through 11, allowing the Board an opportunity to ask questions on the material presented thus far.

- Mickey Herbert inquired as to the outcome of Mercer's work, and what further information would be received from study groups with small employers. Mickey also questioned the need to be addressing items beyond 2017.

- Kevin Lurito responded that the focus of Mercer's work is to provide the Board with insight if certain scenarios are enacted. Kevin further indicated that he wanted specific Connecticut relationships to provide a model.
- Mary Fox questioned what the individual needs are, in relation with what the Exchange would provide.
- Kevin Lurito stated that Mercer is focusing on the employer market and advised that there is further information as to what the various stakeholders need, beyond what was requested of the vendor within the RFP.
- Michael Devine raised concern around language in a task 4d slide which specifies there will be *winners and losers* in reference to merging individual and small group markets.
- Kevin Lurito responded that whenever the rules of the game are changed, there are winners and losers; in this case it is with regard to cost premiums for low risk versus high risk individuals.
- Secretary Barnes questioned what extent Mercer can evaluate a rational model that matches behavior in the real world.
- Kevin Lurito advised the assumptions will be based on rational decision making. Kevin indicated that Mercer is looking at what other states have done, but will just focus on rational decision making processes that can be built into the model for Connecticut. Their model will look at the young healthy individual pool, as well as the high risk pool.
- Mickey Herbert remarked that since the State conducts medical underwriting, this would need to be assessed prior to merging markets.
- Kevin Lurito provided further details on the cost of Connecticut benefit mandates as noted in Task 4g.
- Vickie Veltri remarked that she would like to see the State perform a cost-benefit analysis as the Essential Health Benefits mandate affects *all* individuals, not just those participating in the Exchange.
- Mickey Herbert questioned the affordability of the benefits.
- Secretary Barnes indicated that statutory requirements exist regardless. Reinsurance would be borne by the State.
- Dr. Robert Scalettar remarked that he believes a more durable solution is needed and challenged the Board to consider this as regards to best practices.
- Mary Fox remarked that she would also like the Board to assess ways to eliminate cost drivers, suggesting preventative healthcare measures be put into place as a cost savings measure.
- Secretary Barnes inquired as to the cost of the individual mandate.
- Kevin Lurito announced that Mercer's final report will indicate numbers of Exchange enrollees and premium cost targets. Some components of benefit mandates may not be covered.

Juan Montanez provided a detailed overview of Tasks 8 and 9 (Implementation of information systems). Juan discussed the limitations of the State's existing Eligibility Management System (EMS) currently being used by Medicaid. Discussion ensued around replacement of the State's existing EMS system and the matter of how the cost of a new system would be funded in the long-term.

- Robert Tessier questioned whether continuing with the EMS system would be a viable option.
- Juan advised that the cost to maintain the EMS system may be greater than the development of a new system. The decision of whether to replace the EMS system would need to be addressed by the Board.

Juan discussed the People Soft system currently being used by the State as a viable option for the Exchange, further indicating there is also the possibility that the Exchange could leverage systems already developed

by other states. A preliminary assessment is being done on IT systems and will be completed in the next two weeks. These findings will be presented to the Board.

Tom Dehner provided a comprehensive overview of Task 11 (Options for a Multi-State and Federal Collaboration Exchange). Tom's final conclusion and recommendation to the State is to utilize the existing Core structure. Tom spoke to his assessment of the various partnership models and noted the aggressive timeframe involved, remarking that he believes it is critical to monitor the New England states to potentially leverage their business services.

### **Next Steps**

Michele Walker concluded the presentation, announcing Mercer would present on additional tasks at the next Board meeting on December 1, 2011 and would present the final report to the Board on December 15, 2011. The December presentations to the Board will cover Tasks 1 through 7 and 10.

Jeannette DeJesus announced that Mercer's presentation will be posted to the Office of Health Reform & Innovation website at [www.healthreform.ct.gov](http://www.healthreform.ct.gov). Questions by the public are welcome and should be sent to [Amy.Tibor@ct.gov](mailto:Amy.Tibor@ct.gov). All answers will be posted to the Office's website.

Tia Cintron thanked Mercer for their presentation and work efforts.

### **Adjournment**

Jeannette DeJesus requested a motion to adjourn the meeting. A motion was made by Secretary Barnes to adjourn the meeting at 12:33 p.m. **Motion passed unanimously.**